

MARY ANN SMITH
Deputy Commissioner
SEAN ROONEY
Assistant Chief Counsel
VANESSA T. LU (State Bar No. 295217)
Counsel
Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
Telephone: (213) 576-7632
Facsimile: (213) 576-7181
Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:

NMLS NO.: 1576941

THE COMMISSIONER OF BUSINESS
OVERSIGHT,

ORDER DENYING APPLICATION FOR
MORTGAGE LOAN ORIGINATOR LICENSE

Complainant,

v.

DWAYNE KEITH ELAM,

Respondent.

The Commissioner of Business Oversight (Commissioner) finds that:

1. On or about February 22, 2017, Elam filed an application for an MLO license with the Department of Business Oversight (Department) by submitting a Form MU4 (Application) through the Nationwide Mortgage Licensing System (NMLS) pursuant to Financial Code section 50140.

2. Form MU4 at Question F(1) specifically asked: “Have you ever been convicted of or pled guilty or nolo contendere (“no contest”) in a domestic, foreign, or military court to any felony?” Elam answered “Yes.” Elam provided a criminal disclosure and supporting documentation with his

Application.

3. Elam’s explanation to Question F(1) indicated he pled guilty and was convicted on October 9, 1997 to one count of conspiracy to distribute cocaine (18 U.S.C. 846) and one felony count of money laundering (18 U.S.C. 1956). Elam included a copy of the criminal judgment from *United States v. Dwayne K. Elam* showing that he was sentenced to: 360 months for conspiracy to distribute cocaine; 240 months concurrent sentence for money laundering; and five years-probation.

4. Elam’s criminal disclosure states from June 1995 to February 1996, Elam participated in a conspiracy to distribute cocaine and laundered money by acting as a consultant to operate an illegal business venture. Elam explained he would “set up fictitious businesses in Michigan that could receive drug shipments and then ship money from those drug sales to fictitious businesses in California to purchase more drugs. These businesses existed in name only and never offered any products or services.”

5. Based upon Elam’s criminal background information and documentation, Elam does not meet the requirements for licensure as a MLO under Financial Code section 50140, wherein the applicant must demonstrate “financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within purposes of this division.”

6. Financial Code section 50141 provides in relevant part:

(a) The commissioner shall deny an application for a mortgage loan Originator license unless the commissioner makes at a minimum the following findings: ...

(3) The applicant has demonstrated such financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of this division. . . .

7. Financial Code section 50327 provides in relevant part:

(a) The commissioner may, after notice and a reasonable opportunity to be heard, deny, decline to renew, suspend, or revoke any license if the commissioner finds that:

(2) Any fact or condition exists that, if it had existed at the time of Original application for the license, reasonably would have warranted the commissioner in refusing to issue the license originally

8. The Commissioner finds that Elam fails to demonstrate “. . . such financial responsibility, character, and general fitness as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of this division,” required under Financial Code section 50141 based upon his felony convictions for conspiracy to distribute cocaine and money laundering.

9. On June 9, 2017, the Commissioner issued a Notice of Intention to Deny Mortgage Loan Originator Application, Statement of Issues, and accompanying documents (Notice of Intention to Deny) based on the above findings. On or around June 13, 2017, the Commissioner served Respondent with the Notice of Intention to Deny at the latest address on file. On or around June 28, 2017, the Notice of Intention to Deny was returned to the Commissioner, “unable to forward” to Respondent. The time to request a hearing has expired.

NOW GOOD CAUSE APPEARING THEREFORE, it is hereby ordered that the Application filed by Dwayne Keith Elam for a mortgage loan originator license is denied. This order is effective as of the date hereof.

Dated: August 17, 2017
Los Angeles, CA

JAN LYNN OWEN
Commissioner of Business Oversight

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division